



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
DARRELL V. MCGRAW, JR.
CONSUMER PROTECTION DIVISION
1-800-368-8808 or 304-558-8986

Press Release

January 6, 2004

FOR IMMEDIATE RELEASE CONTACT: Jill Miles
304-558-8986
1-800-368-8808

McGraw's Consumer And Antitrust Divisions Reap \$76 Million For Consumers

West Virginian residents received \$76 million last year as a result of the work of Attorney General Darrell McGraw's consumer protection and antitrust divisions, a report to the Legislature showed Tuesday.

Thousands of consumer complaints were successfully resolved by the minuscule staff that services the divisions, McGraw's annual report to lawmakers said.

Legislative leaders and an official for seniors recognized the office's worth.

The bulk of the money -- \$65.6 million -- comes from the master settlement agreement (MSA) in tobacco litigation McGraw entered into and maintained in the face of criticism from some government levels. But McGraw's report stressed the importance of other matters handled by the office, as well as the tobacco money.

"Without the attorney general's hard work on the tobacco lawsuit, the state of West Virginia would be in much worse shape than it is today financially," Senate President Earl Ray Tomblin acknowledged.

"We have been using nearly \$50 million dollars per year for the past four years to fund general revenue programs in the health field," the Logan County Democrat said. "Also, without the Tobacco Trust Fund, we would not have been able to fund the newly created Physicians Mutual. We were able to use \$24 million dollars from this Trust fund so doctors in West Virginia would have malpractice insurance available."

"The attorney general's consumer protection and antitrust divisions long have played an important role in protecting consumers and resolving their problems," House of Delegates Speaker Bob Kiss, D-Raleigh, said.

"West Virginia seniors gain a sense of confidence and protection from both the education and legal action of the attorney general's consumer protection division," said Ann Stottlemeyer, director of the state's senior services. "Julia Stevenson's presentations are one of the most requested of all of our senior events for this reason."

Stevenson works in the division.

From water scams to pitching warnings to seniors to a plug on NBC's "Dateline," the report carries a wealth of information on how McGraw's office handled myriad complaints, litigation, mediation and scored financial settlements.

"... In several instances this past year, the division was simply ahead of the curve, snuffing out incipient consumer abuse before it caused widespread damage," the report asserted.

"For example, the division curbed unlawful antitrust conspiracies by several drug manufacturers, enjoined the use of spurious open-end credit in the sale of water treatment systems, and assisted consumers who were misled in the financing of their homes," it said. "The amount the exploiters of such practices might have fleeced from West Virginia consumers had the practices proliferated and become established can never be known."

"The quantity and quality of the work of these divisions is incalculable," McGraw said. "Consumers statewide and even across the nation have profited from their work."

In 2003, the office closed out 9,511 complaints, which meant restitution of \$2.3 million. That compares to 8,934 complaints closed in 2002 for \$1.7 million.

Lawsuits and related activities resulted in restitution of \$76.2 million for the year, compared to \$75.3 million in 2002 and \$65.2 million in 2001.

Other highlights during the year include:

"Dateline" ran a West Virginia story about a successful investigation by the office of the unlawful sale of water treatment systems in the state.

The office's "Operation STRIKE Back" telephoned 2,000 seniors to warn them of predatory lending scams.

In the fall, the office began an extensive series of statewide educational public service announcements about citizen rights under drug settlement cases; public service announcements about the consumer protection hotline and mediation services.

Home repairs topped the list of complaints received by the office at 1,562. Credit complaints at 1,176 were second and automobile complaints were third at 1,136.

Deputy Attorney General Jill Miles heads the two divisions, which are staffed with four assistant attorneys general, four consumer advocates and a senior citizen liaison officer.

The report also promised West Virginia will receive \$196.1 million in 2008 in addition to annual tobacco litigation payments of about \$70 million yearly over a quarter century.

The money is a bonus to \$1.7 billion the state will receive as part of a nationwide tobacco litigation

The nearly \$200 million comes "in recognition of the key role that Attorney General McGraw played in the nationwide tobacco litigation."

###